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C O N F I D E N T I A L SECTION 01 OF 03 ALGIERS 001764

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TAGS: ECON ENRG KNNP PGOV IR AG

SUBJECT: AMBASSADOR SCHULTE DISCUSSES IRAN AND NUCLEAR POWER WITH ALGERIANS

Classified By: Deputy Chief of Mission Thomas F. Daughton; reasons 1.4(b) and (d).

¶11. (C) SUMMARY: Algerian officials told visiting UNVIE Amb. Schulte that they have encouraged Iran to cooperate with the international community regarding its nuclear programs, but they stopped short of agreeing to make a public statement that Iran has violated its commitments under the Non-Proliferation Treaty (NPT). Algeria does not support the imposition of additional sanctions against Iran, they said, including a third UN Security Council resolution to that effect. Dialogue and negotiation are the best routes to take with Iran, according to the Algerians, and efforts to impose sanctions will only serve to entrench Iran's intransigence. Energy Minister Khelil stated that Algeria has not yet signed the Additional Protocol because it fears liability for residual nuclear materials from French atomic weapons testing in the Algerian desert during colonial rule. Regarding the Global Nuclear Energy Partnership (GNEP), Algerian officials said that they felt excluded from the development of the group, which they likened to a "private club," and did not yet see any advantage to joining. Khelil also told Amb. Schulte that Algeria was not interested in developing nuclear power anytime soon. In addition to concerns over seismic dangers and costs, Algeria was more interested in developing other projects first, like a Nigerian-Algerian gas pipeline and solar-gas hybrid power generation technology. END SUMMARY.

ON IRAN: "WE PREFER THE SOFT WAY"

¶12. (C) In a series of meetings November 26-27 with Amb. Gregory Schulte, U.S. Permanent Representative to the International Agency for Atomic Energy (IAEA) and to the United Nations in Vienna, the Algerian government clarified its reaction to the recent report by the IAEA Director General regarding Iran's cooperation on nuclear inspections and noted that the fact that Iran has provided information under the Iran-IAEA work plan is a good sign and thus diplomacy should be given more time. Algerian officials told Amb. Schulte that Algeria encourages Iran to cooperate with the IAEA and the international community regarding its nuclear programs, and MFA officials said that they believed that the Algerian statement at the recent meeting of the IAEA Board of Governors reflected this sentiment. The Algerians stopped short, however, of saying they would publicly pronounce that Iran had violated its obligations under the

Non-Proliferation Treaty (NPT), and they repeated the theme that dialogue and negotiation were the best way to deal with Iran's leadership. The officials believed that efforts to threaten Iran with further sanctions, including a third UN Security Council resolution, would be counterproductive. MFA Secretary General (number 2) Madjid Bouguerra also argued

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that the EU seeking sanctions outside of the UNSC process distracts from "our" goals and registered concern that EU High Representative Solana's report would be given more weight than the IAEA DG's report, which showed positive progress.

¶3. (C) SecGen Bouguerra told Amb. Schulte that the IAEA DG's report cited progress made by Iran in terms of disclosure and cooperation. While the progress was perhaps insufficient, it must be welcomed as a step forward in relations between Iran and the IAEA, especially in light of past Iranian intransigence. He stressed that Algeria believed that attempts to use sanctions as a means to persuade Iran to comply more fully with its treaty obligations would "backfire." This sentiment was echoed in a meeting with Mohammed Bledahane, MFA Director General of Multilateral Affairs, who said that diplomacy had shown results in getting Iran to cooperate thus far, and that Algeria preferred to find a "soft way" for further persuasion. Beldahane's deputy, Amb. Mohammed Tefiani, the MFA resident expert on Iran issues, elaborated that since Iran's leadership had taken some steps toward cooperation, it would be counterproductive now to implement a carrot-and-stick approach. The MFA officials repeatedly pointed to progress made with North Korea as an example of how diplomacy and negotiation could affect positive change. Amb. Schulte responded that North Korea began earnest negotiations only

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after the UN Security Council acted and key players like China expressed their displeasure with North Korea's missile tests and engaged in arm-twisting behind the scenes.

¶4. (C) The question of Israel was raised indirectly by each of the MFA officials; Amb. Schulte confronted it directly in response. The officials spoke of a "double standard" when it comes to putting pressure on Iran for its nuclear pursuits, and of the importance of "equal treatment" under the auspices of the IAEA. Amb. Schulte explained that Israel was not a party to the NPT and not subject to IAEA review, but that the USG and others were hopeful that one day the Middle East would be a "nuclear weapons-free zone." SecGen Bouguerra argued that, legal definitions notwithstanding, because of the proliferation of electronic media, public opinion mattered more today in the Arab world than ever before. He said governments must be able to reassure their peoples that, regarding nuclear arms and aspirations, all nations are treated equally, lest we risk a catastrophic "regional arms race."

¶5. (C) The MFA officials also said that Algeria would not call on Iran to sign the Additional Protocol. Since Algeria had not signed the protocol, it would be hypocritical for Algerian diplomats to demand as much from Iran, and thus they had not included this demand in their Board statement. Ultimately, Bouguerra said, "we will make use of any opportunity to encourage Iran to continue to cooperate" with the IAEA; "this is the speech we will continue to give in Vienna and elsewhere."

ADD'L PROTOCOL: AS SOON AS THE FRENCH CLEAN UP THEIR MESS

¶6. (C) Energy Minister Chakib Khelil signaled to Amb. Schulte that Algeria was willing, in principle, to sign the Additional Protocol, but spelled out why his government had not already done so. According to Khelil, Algeria was concerned that if it signed the Protocol, it would risk being

accused of non-compliance at a future date because it could not sufficiently account for nuclear materials left behind by France during its testing of atomic weapons in the Algerian desert in the 1950's. Algeria wanted France to provide it with maps and details about atomic tests done in Algeria, and expected France to sanitize the region. Khelil noted that Algeria had already issued concessions for gold mining in the area and that other activities, such as a proposed pipeline, were planned there as well but that remaining radiation threatened these activities. (NOTE: The head of a U.S.-based company that is mining gold in southwest Algeria told us that only Chinese firms have been interested in the concessions located in the region where atomic tests were conducted, and that in his company's estimation, there are no commercially viable deposits there. END NOTE.)

¶7. (C) Khelil admitted that Algeria had never discussed this matter with the IAEA and merely assumed that this perceived risk of liability was a stumbling block. He noted that the IAEA once prepared a report on residual nuclear material left from French atomic testing in the Algerian desert, but that it was blocked by the French government and never finalized. Khelil pointedly stated that while Algeria could pay for the containment and sanitation of the region, it needed human resources and technological assistance to do so. He suggested that the U.S. could help Algeria identify and sanitize sites, adding, "the French are not willing to deal with this, but we'll need someone to help us." Khelil added that Algeria had not signed the Additional Protocol for technical reasons, as well, claiming problems with software, training and equipment prevented Algeria's participation.

GLOBAL NUCLEAR ENERGY PARTNERSHIP: WHY WEREN'T WE INVITED SOONER?

¶8. (C) When asked by Amb. Schulte why Algeria had not taken the U.S. up on its offer to join the Global Nuclear Energy Partnership (GNEP), both Energy Minister Khelil and the MFA officials noted pointedly that Algeria was not included in the process to form the partnership, and did not see any

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particular advantage to joining. While Amb. Schulte explained the global benefits of GNEP as a "virtual nuclear fuel bank," Khelil focused on the practical benefits to be gained if Algeria were to join. He wondered aloud if a method could be developed for Algeria to mine its uranium, have it enriched elsewhere, and be brought back to Algeria to be used or sold for fuel. Ultimately, the officials agreed that Algeria had not joined GNEP because it was not included as a stakeholder at the start. However, Khelil said Algeria might consider observer status in the future.

ALGERIA NOT PLANNING NUCLEAR POWER ANY TIME SOON

¶9. (C) Energy Minister Khelil offered a frank assessment of Algeria's nuclear power goals, and said that Algeria did not have any immediate to mid-term plans to develop nuclear energy. He pointed out that before Algeria could embark on such a program, it would have to adopt a law establishing a regulatory mechanism and an agency to safeguard the industry. He also admitted that Algeria did not have the human resource talent to develop, build and operate nuclear power plants. Khelil was very skeptical regarding the safety of turning to nuclear power, noting seismic concerns, and added that Algeria was at least ten years away from bringing nuclear power online. To highlight the point, referring to the December 3-5 visit of French President Nicolas Sarkozy, he said, "We are not going to order any plants from (French company) Areva next week."

¶10. (C) Khelil said the sister-lab agreement between Algeria and the U.S. was a good direction for Algeria to take, and

Amb. Schulte suggested that Khelil could pass a request through the Embassy for technical assistance from the U.S. Department of Energy. Khelil pointed out that Algeria had looked to the IAEA to help draft the Algerian nuclear energy law. In the meantime, he said that Algeria would focus on other projects and technologies to add to its power generation capacity, such as the proposed gas pipeline from Nigeria and the 150 megawatt hybrid solar-gas power project currently under development with Spanish interests.

COMMENT

¶11. (C) Algerian officials are very concerned with their image in the international community, and want to be seen as cooperative regarding nuclear non-proliferation. Minister Khelil even told Amb. Schulte, "I hope that is how we are being seen." Yet, the Algerian government will only go so far in pushing Iran toward greater compliance with its safeguards obligations and joining the Additional Protocol. It is clear Algeria will keep its policy in line with the Arab League when it comes to calling for sanctions, and while officials diplomatically avoid referring to Israel by name, they take pains to stick to the "double standard" script. We may be able to nudge the Algerians, particularly its ambassador to the IAEA, to make more nuanced and slightly stronger statements regarding Iran's cooperation, but we should not expect Algeria to break publicly from the comfort of the Arab League position embracing dialogue and negotiation over sanctions. End Comment.

¶12. (U) This cable has been cleared by USMission UNVIE.
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